



{In Archive} Draft Semi-Annual Report - Plains All American LP Consent Decree

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12/08/2010 04:49 PM

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1 Attachment



Semi-Annual Report - DRAFT 12-8-10.docx

Beau/Ward,

In my November 11, 2010 e-mail I mentioned that we had developed a draft straw man version of the semi-annual report required by the Consent Decree. I have attached a copy of this draft for your review in anticipation of our meeting on December 14th.

During the preparation of the attached draft report, we tried to stay true to our discussions during the negotiation of the Consent Decree, in which both sides expressed a desire to keep the report simple, readable and to the point. As we have thought about how to report on compliance with the various provisions of the Consent Decree, we have developed ideas about the level of detail necessary to document compliance without overwhelming you with information. These ideas are presented in the draft report.

As you read through the draft report you will note that the early sections are written in a narrative form and the later sections are written in more of a reporting strategy form. The portions written in a reporting strategy form are intended to communicate our general approach to documenting compliance with that particular provision of the Consent Decree rather than try to write it out in a narrative form at this time. In a number of these draft sections there is some uncertainty on our

part as to the level of detail appropriate to be responsive to the letter of the reporting requirements of the Consent Decree and yet remain true to the desire to keep the report as simple as possible. We would like to discuss these sections with you and hopefully come to an agreement on the appropriate level of detail.

I am sure that your review of the draft report will generate a number of questions that we will do our best to address. You should know that we have no particular pride of authorship and are open to any and all comments, concerns and criticisms. It is our hope and goal that this process will result in a report that complies with the Consent Decree and provides you and any other reviewer with the information that you need in a form that is both responsive to your concerns and easy to understand.

Best Regards,

Troy E. Valenzuela
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SEMI-ANNUAL COMPLIANCE STATUS REPORT

Prepared for:

United States Department of Justice
Washington, D.C.

U.S. Environmental Protection Agency - Region 6
Dallas, Texas

U.S. Environmental Protection Agency – Region 7
Kansas City, KS

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Attachment B	Status of Action Plan Development and Implementation under the Risk Management Program (RMP)
Attachment C	Summary of Baseline Assessment Status for Class II-B and Class III-B Pipeline Segments <ul style="list-style-type: none">• January 3, 2011 Status Summary• March 20, 2011 Status Summary
Attachment D	RSP Screening Summary for Pipelines Acquired Since July 1, 2009
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1.0 INTRODUCTION

1.1 Report Purpose

This Compliance Status Report has been prepared in compliance with Provision VI (Reporting Requirements) of the Consent Decree between the United States Environmental Protection Agency (EPA) and Plains All American Pipeline et. al. (Plains) having an Effective Date of September 20, 2010. This provision of the Consent Decree requires that a semi-annual report be submitted to the United States Department of Justice and EPA Regions 6 and 7 summarizing the status of Plains' efforts towards compliance with Section V (Compliance Requirements) of the Consent Decree as well as the other specific reporting requirements of Section VI. This report covers the reporting period of September 20, 2010 to March 20, 2011.

1.2 Report Organization

1.3 Total Miles of Pipeline Purchased, Acquired, or Sold

During the reporting period covered by this Compliance Status Report, and in accordance with Consent Decree Section VI, Sub-Paragraph 20.A., Item viii, Plains notifies the EPA that it has purchased or acquired a total of _____ miles of Pipeline and sold a total of ____ miles of Pipeline (per the Consent Decree definition). A more detailed discussion of Pipeline purchased during the reporting period is provided in Section 2.1.4 of this report. A listing of the segments of Pipeline acquired and sold during the reporting period is provided in **Attachment A** to this report.

1.4 Report Certification

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on any personal knowledge that I may have and my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

[Name and Title of Signatory]

Date

2.0 Consent Decree Compliance Status (*Consent Decree Section V*)

The following sections present a summary of the status of compliance with each of the Provisions of Section V of the Consent Decree (CD) as of the date of this report.

2.1 Enhanced Integrity Management and Corrosion Control

2.1.1 IMP Requirements for Category I, II-B and III-B Pipelines (CD Sub-Paragraph 15.A.)

During the reporting period covered by this Compliance Status Report, Plains has assessed, operated and maintained all Category I, Category II-B and Category III-B Pipeline in accordance with the requirements of Plains' Integrity Management Plan (IMP), subject to the requirements of sub-paragraph 15.G. of the Consent Decree.

2.1.2 RSP Screening of Category II-A, III-A and IV Pipelines (CD Sub-Paragraph 15.B.)

During the reporting period covered by this Compliance Status Report, Plains has assessed, operated and maintained all Category I, Category II-B and Category III-B Pipeline in accordance with the requirements of Plains' Risk Screening Program (RSP), subject to the requirements of sub-paragraph 15.G. of the Consent Decree.

During the reporting period covered by this Compliance Status Report, Plains has developed and implemented Action Plans detailing risk mitigation actions to address the risks or other anomalies found during the RSP in accordance with the Risk Category Schedule in the RSP.

Attachment B to this report provides a summary of the progress towards completion of RSP Action Plan milestones including summaries of Action Plans developed during the reporting period and a summary of actions taken pursuant to active Action Plans during the reporting period.

2.1.3 Integrity Management of Category II and III Pipelines (CD Sub-Paragraph 15.C.)

During the reporting period covered by this Compliance Status Report, Plains has operated and maintained all Category II-A and Category III-A (Gathering) Pipelines in conformity with the safety requirements for rural gathering pipelines established in 49 CFR 195.11(b).

As of the Effective Date of the Consent Decree (9/20/10) and in accordance V.15.C.i.a. and b., Plains has:

- identified all Category II-A and III-A (Gathering) Pipeline Segments; and
- developed and implemented a continuing education program in conformity with 40 CFR 195.444.

As of July 3, 2010, Plains developed and implemented a corrosion control program in conformance with 49 CFR 195, Subpart H, in accordance with V.15.C.i.c.

As of the Effective Date of the Consent Decree (9/20/10) and in accordance V.15.C.ii.a., Plains has identified all Category II-B and III-B (Low Stress) Pipeline Segments.

In accordance with V.15.C.ii.b., Plains has completed baseline assessments required under Consent Decree provision V.15.C.ii.b. based on the total mileage of Category II-B and III-B Pipeline and beginning with the highest risk pipe. As of January 3, 2011, baseline assessments had been completed on ___% of the Category II-B and III-B Pipeline operated by Plains as of that date. As of March 20, 2011, baseline assessments had been completed on ___% of the Category II-B and III-B Pipeline operated by Plains as of that date. A table listing the Pipeline segments covered by this provision of the Consent Decree and the status of baseline assessments for those segments is provided in **Attachment C - Summary of Baseline Assessment Status for Class II-B and Class III-B Pipeline Segments**

2.1.4 New Pipeline Acquisitions (CD Sub-Paragraph 15.D.)

During the reporting period, Plains acquired ___ segments of Pipeline as

defined by the Consent Decree. A listing of all new Pipeline acquisitions by segment, including the date of acquisition of each Segment, the Category of each Segment, the mileage of each Segment and whether digital maps with Centerline Verification are available for each Segment are provided in **Attachment A – List of Pipelines Acquired and Sold During the Reporting Period.**

For the first report (March 20, 2011), note that the listing covers all newly acquired Pipeline since July 1, 2009. Subsequent reports will only include new Pipeline acquired during the reporting period.

For newly acquired Category II-A, III-A and IV Pipeline Segments with digital mapping and Centerline Verification, provide a statement that the initial screening of these Segments has been completed, or a summary of how many miles of these Segments have been screened during the reporting period. Note how many miles of these Segments have been screened since its acquisition and that the 1,000 mile per twelve-month period screening requirement of V.15.D.i.a. has been met.

The backup to these statements will be the portion of the RSP tracking spreadsheet specific to the Category II-A, III-A and IV Pipeline segments acquired since July 9, 2009, and will be included in Attachment D.

For newly acquired Category II-A, III-A and IV Pipelines with no digital mapping or Centerline Verification, provide a statement summarizing the status of digital mapping, centerline verification and screening for these Segments. Note how many miles of these Segments have been mapped, verified and screened since its acquisition and that the 500 mile per twelve-month period requirement of V.15.D.i.b. has been met.

The backup to these statements will be a mapping summary spreadsheet in Attachment E showing the list of Segments to be mapped/verified, their acquisition date, the status of mapping and verification, and whether they have been cleared for screening. Those Segments that have been mapped and verified will refer the reviewer back to the RSP tracking spreadsheet for initial screening status.

For newly acquired Category II-B, III-B Pipeline Segments, provide a

statement saying that these Segments have been added to the list of Pipeline Segments subject to the RSP and that baseline assessments have been conducted within six-months of acquisition. These should be on the RSP Screening Summary in **Attachment D**.

2.1.5 Geographic information Systems (GIS) Mapping
(CD Sub-Paragraph 15.E.)

Statement saying that as of July 1, 2010, Plains had completed initial digital mapping and Centerline Verification of all Pipelines operated by Plains as of May 1, 2010.

There is no on-going reporting requirement specific to this CD requirement that is not already addressed by a different section of this report, so in the semi-annual reports submitted subsequent to the first, this section will simply refer to Section 2.1.4 for the status of mapping and centerline verification of newly acquired Pipelines.

2.1.6 Anode Beds, Internal Corrosion Control and Close Interval
Surveys (CD Sub-Paragraph 15.F.)

This section will refer to a spreadsheet in **Attachment E** that provides a summary of the expenditures covered by this CD Sub-Paragraph during the reporting period and cumulatively to date. The text in this section will note that total expenditures to date, the number of anode beds and rectifiers replaced or installed against the 120 required by V.15.F.(i); the number of instances where corrosion inhibitor/biocide injection equipment has been installed, and the number of miles of Pipeline subject to Close interval Surveys (both during the reporting period and cumulatively) compared to the 2400 mile requirement of V.F.15.f.(iii).

2.1.7 Subsequent Revisions to Plains' IMP or RSP
(CD Sub-Paragraph 15.G.)

Changes to the IMP or RSP are not anticipated, so this section will likely be a statement that no material changes to Plains' IMP or RSP have been made during the reporting period.

2.2 Enhanced Pipeline Leak Detection (Consent Decree Paragraph 16)

2.2.1 Weekly Aerial Patrols (CD Sub-Paragraph 16.A.)

This section will be a statement that all active Category I, II-A, II-B, and III-B Pipelines (including all Category I, II-A, II-B and III-B Pipeline acquired since the September 20, 2010) and those active Pipelines listed in Appendix A of the Consent Decree have been the subject of a weekly aerial, motor vehicle or foot patrol (weather permitting).

Back up to this statement will be the patrol records maintained by the Records Coordinator. The patrol records will not be included in the Semi-Annual Report due to their volume.

2.2.2 Implementation of API 1130 Compliant CPM Detection (CD Sub-Paragraph 16.B.)

This section will provide a statement saying that Plains is complying with the performance standards for Computational Pipeline Monitoring (CPM) for the active (in service) Pipeline Segments in Appendix B of the Consent Decree. It will also need to provide a discussion of the progress towards installing CPM equipment on an additional 30 Segments by December 31, 2011.

2.2.3 Enhancement of API 1130 Compliant CPM Leak Detection and Minimization of Slack-Line Operations (CD Sub-Paragraph 16.C.)

The Consent Decree requires that an investigation of specific Pipeline Segments listed in Appendix B of the Consent Decree (as well as any Segments added to the Computation Pipeline Monitoring pursuant to Sub-Paragraph 16.B.) be the subject of an investigation that is designed to identify potential enhancements to Plains' leak detection capabilities and measures to minimize Slack-Line Operations or mitigate the effects of Slack-Line Operations on the CPM leak detection systems on those Pipeline Segments.

It also requires that Action Plans be developed based upon the findings of the investigations described above, which will include one or more of the measures identified in 16.C.i.b.5. and any other actions Plains may take to improve the leak detection system and/or minimize Slack-Line Operations.

The following sections summarize Plains' activities conducted in compliance with these requirements.

2.2.3.1 Investigation

This section will provide a brief description of the investigation activities conducted by Plains during the reporting period and a summary of progress towards completion of the investigation of the Pipeline Segments listed in Appendix B and any Segments added to the Computation Pipeline Monitoring pursuant to Sub-Paragraph 16.B. (must be complete by December 31, 2011), including an enumeration of the number of Action Plans developed to date and eventually a certification that all Action Plans have been developed by March 31, 2012 (3rd six-month report). A table summarizing the status of the specific Segments investigated and those that require Action Plans will be included in **Attachment F**.

2.2.3.2 Action Plans

This section will provide a summary of progress towards the implementation of Action Plans developed based upon the findings of the investigations summarized in the previous section. A table summarizing the implementation status of the Action Plans identified in the previous section **Attachment F**. Completion of all Action Plans must be documented before the CD can be terminated.

2.3 Requirements for Replacement and/or Substitute Breakout Tanks (Consent Decree Paragraph 17)

This section will describe the policies and procedures (including documentation through MOC form) put into place by Plains to ensure that the requirements of V.17. are being met as of September 20, 2010. The Consent Decree does not specify any reporting requirements for this Paragraph. It does require that Plains discuss compliance with all of the provisions of Section V in the semi-annual report, so this section will be repeated in each report unless there is a material change to the policies and procedures put into place.

2.4 Personnel and Training (Consent Decree Paragraph 18)

2.4.1 Position Preservation (CD Sub-Paragraph 18.A.)

This section will certify that the positions listed in V.18.A. are staffed. This requirement appears to expire on July 31, 2011, so semi-annual reports covering reporting periods subsequent to that date would note the expiration date in the Consent Decree and not provide the certification.

2.4.2 Employee Training (CD Sub-Paragraph 18.C. and 18.D.)

This section will be a statement saying that all personnel assigned to operate and maintain Category III-A and IV Pipelines have been trained in conformity with the Operator Qualification requirements of 40 CFR 195, and that pre-screening testing has been conducted for all new pipeline controller applicants using a computer simulator-based console operator assessment.

This section will also include a statement saying that all field personnel performing Pipeline maintenance are trained in proper Pipeline cleaning techniques and procedures.

2.5 Permits (Consent Decree Paragraph 19)

This section will provide a discussion of any federal, state or local permit or

approval required to fulfill any compliance obligation in Section V of the Consent Decree that will require, or has the potential to require Plains to seek relief under the provisions of Section VIII (Force Majeure) of the Consent Decree. This will also be discussed in Section 4.0 of this report.

4.0 Compliance Problems During the Reporting Period

4.1 Problems Identified During the Reporting Period

4.2 Implemented or Planned Solutions to Problems Identified During the Reporting Period